

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

MORINVILLE,)	Case No. 20-cv-00980
)	
Plaintiff,)	
)	
v.)	
)	
OVERWATCH)	
TECHNOLOGIES, INC. ET)	
AL.,)	
)	
Defendants.)	

PLAINTIFF’S MOTION TO AMEND COMPLAINT

EXHIBIT B

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OVERWATCH DIGITAL HEALTH, INC.

“Independence Matters, Peace of Mind Matters, Innovation Matters”™

March 27, 2020

Dear Convertible Note and Promissory Note Holders,

As you are no doubt aware, we are in the midst of a global pandemic caused by the coronavirus. In addition to the effects this pandemic has had on everyone personally, the coronavirus has resulted in unprecedented disruptions to the global investment markets. I am writing to you today to give you an update on how these disruptions have affected Overwatch’s business operations and funding efforts. Please note that the information contained in this letter is strictly confidential and should not be distributed or forwarded to anyone beyond the intended recipient.

Overwatch Funding

Since its inception in February 2019, Overwatch has raised approximately US \$___ million through sales of convertible and promissory notes. The intended use of these funds was to build out our epilepsy monitoring and alerting application (the “Overwatch App”) and to implement machine learning and artificial intelligence training algorithms to enhance accuracy. In addition, these funds were to be used to pay development costs for the Eymapact App (concussion detection application) and the Eympair App (drug-detection application) which are based on technology created by BioEye, Ltd. (as noted in my previous correspondence, Overwatch entered into an agreement in September 2019 to acquire Israel-based BioEye).

As a result of your investment in Overwatch, I am pleased to inform you that we completed development and training of the Overwatch App with the latest version of this product showing a remarkable seizure detection accuracy rate of 95-96% and a false positive rate of approximately 1%. The Overwatch App will be released to the public on the Apple App Store and through our website (www.overwatchdh.com) on Monday, March 30th. The Eymapact and Eympair Apps require just a few more weeks of development effort in order to have products ready for commercial launch to the public.

To finish development efforts and to ramp up marketing activities to generate meaningful revenues from our products, we had planned to raise in April AU \$_ million - \$__ million through the sale of common shares on the Australian Securities Exchange (“ASX”) pursuant to a reverse takeover transaction with Rision, Ltd. Unfortunately, due to the coronavirus’s disruption of the global investment markets, our plans to raise funds through the ASX have had to be put on hold for the foreseeable future.

Expense Reduction Initiatives

In response to the current uncertain funding environment, we undertook significant steps to reduce monthly operational costs. In Israel, we terminated all employees with the exception of our chief scientist and senior software engineer and closed our office. In the United States, we terminated all contract and long-term developers and engineers with the exception of our chief technology officer and one off-shore contract software engineer. We also delayed development of the Eymapact and Eympair Apps in order to eliminate all development and sales and marketing expenses associated with those products. Finally, all of our remaining personnel agreed to accept significant cuts in compensation resulting in a 30% reduction in

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employee salaries. As a result of these initiatives, Overwatch has reduced its operational costs and expenses to less than US \$_____ per month.

Funding Support Request

In order to keep our current (reduced) operations intact, Overwatch requires at least US \$_____ from its existing convertible noteholders and promissory noteholders and other interested parties. This money will allow us to pay operational costs and expenses for the next four months ($\$/month \times 4 \text{ months} = \$$ _____). The terms and conditions of this funding will be the same as the convertible notes that you acquired in 2019 and the requested minimum investment amount is US \$_____.

As of the date of this letter, Overwatch has secured commitments of US \$_____ contingent upon us successfully raising the remainder of our \$_____ funding requirement. We are also exploring whether additional financial support can be obtained from the U.S. coronavirus stimulus spending bill which is anticipated to be signed into law this week. In addition to these encouraging developments, we are exploring funding opportunities from unaffiliated individual and institutional investors to raise the remainder of our short-term funding needs.

Continuing operations for the next four months will give Overwatch the opportunity to:

- Commercially launch the Overwatch App next week and expand our subscriber base (currently, _____ accounts have been opened for the Overwatch App) and increase revenues from monthly patient and doctor subscriptions as well as allow us to source additional funding opportunities;
- Give us a chance to recommence discussions and negotiations with a major professional _____ sports league to initiate field testing of the Eym pact App for sideline concussion detection screening; and
- Finalize the clinical trial protocol and master services agreement for the immediate commencement of an independent clinical trial of the Overwatch App with _____ (“_____”), the largest neurology practice group in _____. The clinical trial protocol and master services agreement have been substantially finalized and the clinical trial will commence when Overwatch has secured this additional funding.

These initiatives should give Overwatch the best chance of maintaining or enhancing its value during these uncertain times and place us in the best position to continue to attract funding. Finally, and although no one can predict what the future will bring, we believe that securing this funding to continue operations for the immediate future will give the global investment markets an opportunity to stabilize so that Overwatch can recommence efforts to secure a public listing and raise long-term funding through the ASX or through a public securities exchange in the United States.

We have incredible products that will have a positive impact on the medical and law enforcement communities and a dedicated and committed group of employees. I strongly believe that with this additional funding, we will get past this difficult period and that investors will see a very good return on their investment. I hope that you will continue to support us. If you would like to participate in this funding, please contact your broker/investment advisor or me at _____ by not later than Friday, April 3rd.

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Should you have any questions regarding Overwatch's business operations or this funding support request please do not hesitate to contact me at the email noted above or at _____.

Sincerely,

OVERWATCH DIGITAL HEALTH, INC.

Terry Fokas

Terry Fokas
Chief Executive Officer

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